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Draft decision

Fifth programming cycle

The Governing Council

1. Decides to maintain for the fifth programming cycle a five-year planning period to cover the years 1992-1996, inclusive, and to carry out a mid-term review in 1994 of:

(a) The programme planning aspects for the cycle;

(b) The resources available and the financial management of the fifth programming cycle;

2. Also decides that for the purposes of forward planning, an annual rate of growth of total voluntary contributions of 8 per cent is assumed;

3. Further decides to apply the rate of growth of voluntary contributions of 8 per cent for the fifth programming cycle on a basis of $1,000 million in 1991;

4. Reaffirms the exclusive responsibility of the Government of the recipient country for formulating its national development plan, priorities or objectives, emphasizing that the integration of the operational activities of the United Nations system with national plans and objectives would enhance the impact and relevance of those activities;

5. Reaffirms also that national plans and priorities constitute the only viable frame of reference for the national programming of operational activities for development of the United Nations systems;

6. Stresses that in order to attain self-reliance in the developing countries through national capacity-building and strengthening, the United Nations Development Programme should promote human development;

7. Decides that the United Nations Development Programme should focus on building and strengthening national capacity in the following areas:

(a) Poverty eradication and grass-roots participation in development;

(b) Environmental problems and natural resource management;

(c) Management development;

(d) Technical co-operation among developing countries;

(e) Technology for development;

(f) Women in development;

8. Decides that capacity-building and capacity-strengthening within these areas should receive priority in programmes of the United Nations Development Programme, including the intercountry indicative planning figures and that the Special Programme Resources should be used to strengthen and supplement activities funded through the country indicative planning figures constituting an integral part of country programmes, and taking fully into account the diverse needs of countries and regions;

9. Requests the Administrator to report on the implementation of paragraphs 7 and 8 of the present decision on a continuous basis, beginning with the fortieth session (1993);

10. Decides that the allocation of the resources of the United Nations Development Programme, including the distribution of country and intercountry indicative planning figures for the fifth programming cycle, 1992-1996, shall be carried out after provision of resources has been made for the Operational Reserve, the core budget, programme support activities, Special Industrial Services, sectoral support costs, agency support costs; the field programme of the United Nations Development Programme will be divided as follows:

(a) 77 per cent will be allocated to country indicative planning figures;

(b) 16 per cent will be allocated to intercountry indicative planning figures, of which:

(i) 12 per cent for regional indicative planning figures;

(ii) 1.5 per cent for interregional indicative planning figures;

(iii) 2.5 per cent for global indicative planning figures;

(c) 7 per cent will be allocated to Special Programme Resources, which will cover thematic activities;

11. Decides that provisions under the core budget for the cycle shall amount to $1,158 million; which represents the anticipated level of expenditures in 1991 with a compounded 6 per cent annual inflation in each year of the cycle.

12. Decides that provisions under the Programme support activities for the cycle shall amount to $98 million, which represents the anticipated level of expenditures in 1991, with a compounded 6 per cent annual inflation in each year of the cycle;

13. Decides that provisions under the successor arrangements for support costs shall be as follows:

(a) To make provision equal to 10 per cent of country indicative planning figures, to be added as a sub-line to these indicative planning figures to finance support services by recipient Governments;

(b) To make provision of 2 per cent of programmable resources to be managed by the Administrator for support to technical services at the programme level in accordance with paragraph 8 of decision 90/...;

(c) To make provision in accordance with paragraph 10 of decision 90/... of 2 per cent of programmable resources for the financing of technical services at the project level which may, at the thirty-eighth session of the Governing Council, be determined to be best financed centrally;

(d) To make an adequate provision to meet support costs for the smaller technical agencies in accordance with paragraph 4 of decision 90/...;

(e) To make provisions not exceeding 14 per cent of intercountry indicative planning figures and Special Programme Resources to meet cost of technical and indicative support for these programmes;

(f) A 13 per cent provision of the estimated cost of fourth programming cycle projects to be implemented during the fifth programming cycle should also be added to meet support costs for these projects;

14. Decides that the level of the allocation of Special Industrial Services shall be $15 million;

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15. Decides that the level of the allocation for sectoral support will be $30 million; the distribution of these funds between the programme of the United Nations Industrial Development Organization Country Directors and the sectoral support programme of the smaller agencies will be decided by the Governing Council at its thirty-eighth session (1991);

16. Decides that the level of the Operational Reserve in the fifth programming cycle shall be at 20 per cent of contributions or expenditures for each year, whichever is higher, with the level being rounded off to the nearest $10 million, and decides to review the level of the Operational Reserve every other year and during the mid-term review of the cycle;

17. Further decides that in accordance with General Assembly resolution 44/211 and Governing Council decision 89/20 which, inter alia, emphasize the need for priority allocation of scarce grant resources to programmes and projects in low-income countries, particularly the least developed countries, the methodology for the allocation of country indicative planning figures should achieve the following distribution:

(a) Countries with gross national product per capita of $750 or less, to receive 87 per cent of indicative planning figure resources, keeping the weight coefficients for gross national product per capita and population in the fifth cycle unchanged from those used in the fourth cycle;

(b) Countries with gross national product per capita of above $750 to receive 13 per cent of resources;

18. Decides that least developed countries will receive 55 per cent of country indicative planning figures, and for this purpose, to allocate the necessary supplement from the field programme resources which had been set aside for the regional programmes, to supplement the funds allocated to the least developed countries, in proportion to their country indicative planning figures in the fifth cycle;

19. Decides that within the total amount of resources allocated to country indicative planning figures, $100 million will remain unallocated, to meet the requirements of future participants in the programme, and that the indicative planning figures of some countries shall be adjusted as a result of revisions in the data used for the calculations of fifth cycle indicative planning figures, subject to the approval of the Governing Council;

20. Decides that for the calculation of individual country indicative planning figures, the methodology and criteria should take into account the following:

(a) The basic criteria of per capita gross national product and population shall apply, and the weight coefficients corresponding to each level of per capita gross national product and population used in the fourth cycle shall be retained;

(b) The ratio between basic and supplementary criteria that will be used in computing country indicative planning figures shall be 75 to 25;

21. Decides that the following supplementary criteria with their respective weight coefficients shall be applied for any given country:

(a) Inclusion in the list of countries designated as least developed among developing countries or, by decision of the Governing Council, designated to be treated as if it had been included in that list: 7 points;

(b) It is a land-locked developing country: 1 point;

(c) It is an island developing country: 1 point;

(d) It has acceded to independence since 1985: 1 point;

(e) It is an economically affected country in Southern Africa: 1 point;

(f) It suffers from acute ecological or geographical disabilities, or is disaster-prone: 2 points;

(g) It is classified by the World Bank as a severely or moderately indebted low- or medium-income country: 2-4 points;

(h) Its continued deterioration in terms of trade, measured as a decline by more than 15 per cent in at last two years out of the three-year period 1981-1983: 1 point;

(i) A decline in per capita gross national product between cycles (1983-1989) of more than 30 per cent: 1 point;

(j) Its economy is in transition, or, it required structural adjustment lending from the World Bank during the fourth cycle: 1 point;

22. Decides that the amount allocated for each supplementary point given shall comprise a fixed part per supplementary point of 25 per cent and a variable part of 75 per cent, the latter directly correlated to the amount of the indicative planning figure calculated on the basis of basic criteria;

23. Decides to use World Bank data on population and gross national product per capita for 1989 in the calculation of country indicative planning figures; in those cases where such data are not available, the Administrator shall determine and use the best estimates available, taking into account estimates provided by the United Nations Statistical Office, as well as estimates obtained from other sources that have been determined in a manner consistent with the methodology used by the World Bank;

24. Decides that regional indicative planning figures shall be established as a percentage of total country indicative planning figures for each region;

25. Decides that:

(a) A maximum of 15 supplementary points shall be accorded to any one country;

(b) The supplementary criteria shall be limited to no more than 50 per cent of the product of the basic criteria for any one country, least developed countries excepted;

26. Decides that the indicative planning figure for national liberation movements shall be established at $12 million, with, as the beneficiaries, the African National Congress and the Pan African Congress;

27. Decides to establish the indicative planning figure for multi-island co-operation at $7 million, divided equally between the Caribbean and Pacific Islands;

28. Decides to establish the indicative planning figure for the Czech and Slovak Federal Republic at $1.656 million;

29. Also decides that the Czech and Slovak Federal Republic shall be included among those countries entitled to an indicative planning figure for the fifth programming cycle;

30. Decides that the indicative planning figure for the Republic of Yemen in the fifth cycle shall be no less than the combined indicative planning figures of the Yemen Democratic Republic and Yemen in the fourth cycle;

31. Decides that countries with a 1989 gross national product per capita of below $750 and small island countries with a population of 2 million or less and with a 1989 per capita gross national product between $750 and $1,500 shall have a supplement, if necessary, to their indicative planning figures for the fifth programming cycle so that they receive no less than 100 per cent of their country indicative planning figures for the fourth programming cycle, as determined in decisions 85/16, 88/31 and 90/3;

32. Decides that countries with a 1989 gross national product per capita of below $1,500 and small island countries with a population of 2 million or less and with a 1989 per capita gross national product between $1,500 and $3,000 shall have a supplement, if necessary, to their indicative planning figures for the fifth programming cycle so that they receive no less than 90 per cent of their country indicative planning figures for the fourth programming cycle, as determined in decisions 85/16, 88/31 and 90/3;

33. Decides that countries with a 1989 gross national product per capita of below $3,000 and small island countries with a population of 2 million or less and with a 1989 per capita gross national product between $3,000 and $4,200 shall have a supplement, if necessary, to their indicative planning figures for the fifth programming cycle so that they receive no less than 80 per cent of their country indicative planning figures for the fourth cycle, as determined in decisions 85/16, 88/31 and 90/3;

34. Decides to review the net contributor issue at its thirty-eighth session (1991);

35. Invites the Administrator, in anticipation of the sixth programming cycle, to provide the Governing Council at its thirty-eighth session (1991) with proposals for revising the weight coefficients for per capita gross national product and population, taking into account:

(a) Increased weight for least developed countries and lower-income countries in the per capita gross national product weighting;

(b) Reduced weight for higher populations;

36. Decides to review at its special session in February 1991 the specific amounts for Special Programme Resources programmes on the basis of the Administrator's proposals made in document DP/1990/43 and other proposals made during the thirty-seventh session of the Governing Council as per the list annexed to this decision;

37. Authorizes the Administrator, with respect to a possible upward revision of indicative planning figures during the cycle, should resources permit such an action, to increase indicative planning figures on a proportional basis;

38. Decides that, should resource growth in the fifth programming cycle be insufficient to meet established indicative planning figures, the Administrator shall decrease the indicative planning figures and Special Programme Resources on a proportional basis;

39. Calls upon the Administrator:

(a) To consult with the agencies of the United Nations system on the feasibility and practicability of the system-wide introduction of Special Drawing Rights as a unit of account;

(b) In this connection, to invite the Director-General for Development and International Economic Co-operation to take an active role in this review, in view of its system-wide implications;

(c) To provide a preliminary and broad indication of the potential cost involved for the United Nations Development Programme in introducing Special Drawing Rights as the unit of account;

(d) To report to the Governing Council at its thirty-eighth session (1991) on the outcome of his consultations with the United Nations agencies and his analysis of cost implications of introducing Special Drawing Rights.

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